



U.S. Department of Energy



Office of Small and Disadvantaged Business Utilization



7TH ANNUAL SMALL BUSINESS CONFERENCE

THE WASHINGTON STATE
CONVENTION AND TRADE CENTER



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MYTH vs. REALITY in DOE Subcontracting

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Bob Fritz

Bob Fritz is a Senior Vice President and one of the owners of ARES Corporation, an engineering and consulting firm. He has been with the firm for twelve years and is responsible for administering all technical and financial activities for offices in the United States and Canada. A graduate in electrical engineering with a minor in nuclear engineering from the University of Missouri, Bob has held positions (ranging from Startup Engineer to Project Manager) for projects up to \$1 Billion in size.

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ARES Corporation – a Veteran-owned Small Business



ARES Corporation
employs over
450 professionals



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How did ARES do it?

- Achieved Growth by:
 - Ignoring Myths,
 - Focusing on Reality,
 - Planning Ahead,
 - Concentrating on Customer Needs/Satisfaction,
 - Working Hard, and
 - Having Fun!

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DOE Subcontracting – MYTHS vs. REALITY

MYTH 1

“As a veteran-owned business, people will just hand work over to you with minimal effort on your part.”

REALITY

- Every client has needs – seldom will they accept the risk of a non-proven supplier, a non-qualified group, or a poor proposal, just to give work to a certain category of business.

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DOE Subcontracting – MYTHS vs. REALITY

MYTH 2

“There are mandates for significant Federal contracts to be awarded to veteran-owned businesses.”

REALITY

- There are good intentions, sometimes goals, and even occasionally mandates, BUT contracts are almost always awarded based on price and/or qualifications.

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DOE Subcontracting – MYTHS vs. REALITY

MYTH 3

“The target market is DOE.”

REALITY

- The prime O&M contractors – and in some cases the 2nd tier contractors – control a majority of the work scope/money.

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DOE Subcontracting – MYTHS vs. REALITY

MYTH 4

“If I have a service, the need will arise.”

REALITY

- In the era of tight budgets, the bulk of contracting will go for services that are necessary to support identified issues or demonstrated improvements to current practices.

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DOE Subcontracting – MYTHS vs. REALITY

MYTH 5

“As an Owner/Principal, I can work at my own pace.”

REALITY

- Owners/Principals will work twice as much for half as much as “regular” employees – at least in the beginning.

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Keys to Capitalizing on Realities

PLANNING AHEAD

- Visit with procurement people (Small Business Advocate, managers, etc.) at both DOE and major subcontractors offices.
- Understand what is needed; who are your potential teammates/competitors, etc.?
- Write a Business Plan (short-term and long-term) based on results of visits/needs assessment.
 - Be realistic.
 - Be specific.
 - Stick to it.
 - Update it!
- Stay in touch with contacts.
- Review past/present winning proposals where possible.

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Develop Teams/Partners

- Search out strategic partners/teammates.
 - Focus on complimentary skills.
 - Utilize ‘intell’ from planning/winning proposals.
 - Don’t let pride interfere with Business Planning do the smart business thing.
- Be fair, open, and honest with your chosen partners.
 - Be in it for the long haul together.



Work Hard

- Give a better product than demanded.
- Be truthful about what you can and can't do.
- Help clients find support if you can't give it.
- Utilize highest ethics in all activities.
- Develop teaming arrangements.

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HAVE FUN!

- Clients and employees can sense the work atmosphere.
- Working hard is easier when it is fun.
- You only live once.

GOOD LUCK!

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